

***BUDGET AND FISCAL
MANAGEMENT
COMMITTEE***

***LETTER
from the CHAIR***



King County

Julia Patterson

Councilmember, District 5

Metropolitan King County Council

January 15, 2011

The Honorable Bob Ferguson
Chair, Metropolitan King County Council
516 Third Avenue, Room 1200
Seattle, WA 98104

RE: 2011 King County Council Adopted Budget

Dear Councilmember Ferguson:

Please find the attached copy of the Metropolitan King County Council 2011 Adopted Budget Book which details the 2011 adopted budget and includes Appropriation Ordinance 16984, a budget summary, a government organizational chart, three-year financial and debt service plans, agency detail sheets, and agency provisos.

The 2011 budget is a balanced budget that reflects our 2011 theme of "Sharing the Pain". This theme is appropriate and was essential because for 2011 King County faced a \$59.2 million revenue shortfall upon the heels of last year's shortfall of \$56 million in the General Fund. However, employee sacrifices allowed the restoration of \$6.2 million in services and helped avoid deeper cuts to county services.

Revenue shortfalls that contributed to the deficit are attributable, in part, to state law that limits the growth of property tax levies to one percent per year plus the revenues from new construction and building improvements. Because this effective rate of allowable growth has been far below typical rates of inflation, a structural gap has developed between the County's property tax revenues and the cost of providing county services from year to year. Recent national, state and local economic conditions have exacerbated this ongoing structural gap by depressing another major revenue source, the retail sales tax. The combined shortfall of these major revenue sources requires that King County reduce services for 2011.

This budget prioritizes restoring domestic violence and sexual assault services, minimizing cuts to criminal justice agencies, exercising fiscal restraint, and implementing more efficient

business practices. Many of these changes were made possible by King County employees who voluntarily gave up their cost-of-living increases. Because of this commitment and partnership between the county and our employees, \$23.5 million is directed toward county services and programs. The county was able to save vital programs and services such as family court, alternatives to incarceration programs, and public defense services.

To inform the Council's difficult decisions on addressing the general fund shortfall, we relied on extensive public input. The Budget and Fiscal Management Committee held briefings through the year to inform councilmembers about the county's finances, outline the 2011 budget process, and set priorities for the coming budget process. Once the proposed budget was transmitted by the Executive, five public meetings were held around the County to hear input from area residents. Over 260 people and organizations testified at these meetings, with over 300 individuals submitting their input in writing. The public's comments, recommendations, and concerns were carefully considered by the Council's Budget and Fiscal Management Committee in its budget deliberations.

While staying true to our priorities, as well as maintaining a balanced budget, the 2011 budget also continues King County's long history of responsible financial stewardship. The total budget of \$5.1 billion removes proposed expenditures that are not needed for 2011, restores others, and places \$40 million in reserves for possible future needs such as retirement contributions and risk mitigation. This budget establishes a criminal justice reserve and specifically preserves the entire amount of our existing rainy day reserve fund.

I am pleased to present this budget and to express my personal gratitude to all King County employees, Councilmembers, independently elected county officials, suburban elected officials, labor leaders, and individual citizens who participated in the 2011 budget process. I am confident that this budget will serve King County well in the year to come.

Sincerely,

A handwritten signature in black ink that reads "Julia Patterson". The signature is written in a cursive, flowing style.

Julia Patterson, Chair
Budget and Fiscal Management Committee